

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF IOWA**

In re:  BDC GROUP, INC.,   Debtor.	Chapter 7 Case No. 23-00484  <b>JOINDER TO (I) OBJECTION TO MOTION TO RECOGNIZE LIEN AND (II) RESPONSE IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT AND REQUEST FOR SUMMARY JUDGMENT IN FAVOR OF NON- MOVING PARTY AND RELATED PLEADINGS</b>
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COMES NOW Renee K. Hanrahan, the duly-appointed Chapter 7 Trustee in the above-captioned bankruptcy case (the “Trustee”), by and through undersigned counsel, and hereby files this *Joinder to (I) Objection in Opposition to Motion to Recognize Lien and (II) Response in Opposition to Motion for Summary Judgment and Request for Summary Judgment in Favor of Non-Moving Party and Related Pleadings* (the “Joinder”). In support of the Joinder, the Trustee respectfully states as follows:

**Background**

1. On June 13, 2023, BDC Group, Inc. (the “Debtor”) filed its voluntary bankruptcy petition and commenced its initial Chapter 11 bankruptcy case.
2. On or about November 8, 2023, creditor and DIP Lender Keystone Savings Bank (“KSB”) filed its *Motion to Recognize Lien* [Doc. 290] and related *Motion for Summary Judgment* [Doc. 291] in which it requested that this Court determine that its pre-petition blanket liens on the Debtor’s assets extends to avoidance actions arising under Chapter 5 of the Bankruptcy Code, including sections 542, 544, 547, 548, 550, 551, and 553, as well as fraudulent

conveyance, fraudulent transfer, and illegal dividend/distribution laws arising under applicable state law (the “Avoidance Actions”).

3. On December 1, 2023, the Official Committee of Unsecured Creditors (the “Committee”) filed its *Objection to Motion to Recognize Lien* [Doc. 305] and *Response in Opposition to Motion for Summary Judgment and Request for Summary Judgment in Favor of Non-Moving Party* [Doc. 306] arguing that KSB’s pre-petition liens do not extend to the Avoidance Actions.

4. On December 8, 2023, KSB filed additional briefing in support of its Motion for Summary Judgment. *See* Doc. 313.

5. On December 11, 2023, KSB filed additional briefing in resistance to the Committee’s request for summary judgment in favor of the Committee. *See* Doc. 317.

6. On December 15, 2023, the Court held a hearing on the *Motion to Recognize Lien* and related *Motion for Summary Judgment*, after which the Court took the matter under advisement without further briefs due. *See* Docket No. 326.

7. On January 30, 2024, this case was converted to a case under Chapter 7 of the Bankruptcy Code, and the Trustee was appointed. *See* Docket Nos. 384, 385. The Trustee has spent the last week getting up to speed on the status of this bankruptcy case, the Debtor’s estate and assets, and all briefing filed to date, as well as locating, vetting, and retaining counsel.

### **Joinder**

8. The Trustee hereby joins in the *Objection to Motion to Recognize Lien* [Doc. 305] and *Response in Opposition to Motion for Summary Judgment and Request for Summary Judgment in Favor of Non-Moving Party* [Doc. 306] filed by Committee prior to conversion of this case to a case under Chapter 7 of the Bankruptcy Code.

WHEREFORE, the Trustee respectfully requests that this Court deny KSB's pending *Motion to Recognize Lien* and *Motion for Summary Judgment* and instead determine that KSB's pre-petition liens do not encumber the bankruptcy estate's Avoidance Actions, and grant the Trustee such other and further relief as this Court deems just and proper.

Dated: February 8, 2024

By: /s/ Elizabeth M. Lally  
Elizabeth M. Lally, # AT0013010  
**Spencer Fane LLP**  
13815 FNB Pkwy, Ste. 200  
Omaha, NE 68154  
Telephone: 402.800.2299  
[email: elally@spencerfane.com](mailto:elally@spencerfane.com)

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on February 8, 2023, the foregoing *Joinder to Response in Opposition to Motion for Summary Judgment and Request for Summary Judgment in Favor of Non-Moving Party and Related Pleadings* was served electronically upon those parties receiving electronic notification through the Court's CM/ECF system.

/s/ Elizabeth M. Lally